EXHIBIT 5
DATE 2.6.07
HB HB216

February 5, 2007

Dear Member of the House Taxation Committee,

I am writing with regard to HB 216, Rep. Wilmer's bill to increase Montana's conservation and renewable energy tax credits. During the hearing, a concern was raised that "grid intertied" renewable energy systems could cause delays in the return of electrical service following a power outage. I have researched this issue, and could not find any evidence that these systems cause this type of problem for utilities around the nation.

It is important to realize that net metering policies now exist in 40 states plus the District of Columbia (www.dsire.org), and that there are literally thousands of grid interconnected renewable energy systems in operation. The safety record of the industry is impeccable. A literature search reveals that not a single case of property damage, injury, or death has been reported due to the "islanding" effect (the concern that a system will accidentally energize an otherwise "dead" line -- see page 2 for citations).

This is NOT because the systems are without risk. Rather, it is because this risk has been recognized and managed. As part of my research, I interviewed three experts. First was John Jones (Highmark Media), a safety consultant who is currently working with NorthWestern Energy on the topic of renewable energy. He told me that these systems have built-in, redundant safety features and that he has not been able to find any OSHA requirement that systems need to be visually inspected before the grid is re-energized. I also spoke with Dave Ryan, a professional engineer who formerly ran NorthWestern Energy's renewable energy program. He confirmed to me that the safety features on these systems are IEEE and UL certified. NorthWestern Energy has nearly 300 grid-tied renewable energy systems, and to Dave's knowledge, it is not the company's protocol to visit each site before working on the grid. Dave explained that if linemen follow standard testing and grounding procedures, they are protected.

Finally, I spoke with Tom Starrs, a nationally-known expert on net-metering issues. Mr. Starrs is the immediate past chair of the American Solar Energy Society, and has written numerous papers on the topic of net metering. He confirmed to me what Mr. Ryan had said, and told me that he had never before heard this particular argument about major delays resulting from visual inspection of disconnects.

In conclusion, it is MEIC's belief that net-metered renewable energy systems have been a positive development in Montana and will continue to play an important part role in Montana's clean energy future. The fact that all 26 of Montana's rural electric cooperatives allow net-metering on their systems demonstrates a certain level of comfort with these projects. Recall also that there were no opponents to HB 216 at the hearing. MEIC would urge the committee to move forward with HB 216, as a way to encourage clean energy solutions, economic development, and energy independence for Montana's homeowners.

Sincerely,

Pat

Patrick Judge
Energy Program Director, MEIC

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"In fact, there is no example of utility personnel injury or death resulting from a customer-owned generator accidentally energizing an otherwise "dead" utility line. The utility concerns of safety, power quality, and service reliability are legitimate, but the record suggests that the established industry standards adequately address these concerns."

"Current Experiences with Net Metering Programs"
National Renewable Energy Laboratory, May 1998, p. 6

"We find that the risk to utilities or to third parties of property damage or personal injury caused by the operation of customer-owned, grid-connected PV systems installed in compliance with applicable national standards appears to be extremely small."

"Allocating Risks: An Analysis of Insurance Requirements for Small-Scale PV Systems,"
For Presentation at the Annual Conference of the American Solar Energy Society
Thomas Starrs and Robert Harmon, June 2000, p. 1

"In thousands of pages of testimony delivered to the Federal Energy Regulatory Commission (FERC) on its proposed standards governing small generator interconnection in 2003-2004, not one respondent cited even a single case in which the interconnection and parallel operation of a small renewable energy system caused damage to the local distribution system or resulted in an injury to utility line workers (see FERC Docket No. RM02-12-000)."

Interconnection and Net Metering of Small Renewable Energy Generators in Texas:
Final Report of the Texas RE-Connect Project, April 2005, p. A-3